

DEBT MANAGEMENT

CITY OF BRISTOL, CONNECTICUT 2013-2014 BUDGET EXPENDITURE SUMMARY FOR DEBT SERVICE

ORGCODE	DESCRIPTION	PRIOR YEAR ACTUAL 2011-2012	ORIGINAL BUDGET 2012-2013	REVISED BUDGET 2012-2013	BUDGET REQUEST 2013-2014	JOINT BOARD 2013-2014
DEBT8010	LONG TERM DEBT PRINCIPAL PAYMENT	\$4,275,375	\$6,370,375	\$6,370,375	\$6,275,375	\$6,275,375
DEBT8020	LONG TERM DEBT INTEREST PAYMENT	2,369,836	2,980,710	2,980,710	2,653,190	2,653,190
DEBT8030	SHORT TERM DEBT PRINCIPAL PAYMENT	0	0	0	0	0
DEBT8040	SHORT TERM DEBT INTEREST PAYMENT	65,867	65,870	65,870	100,000	100,000
TOTAL DEBT SERVICE		\$6,711,078	\$9,416,955	\$9,416,955	\$9,028,565	\$9,028,565

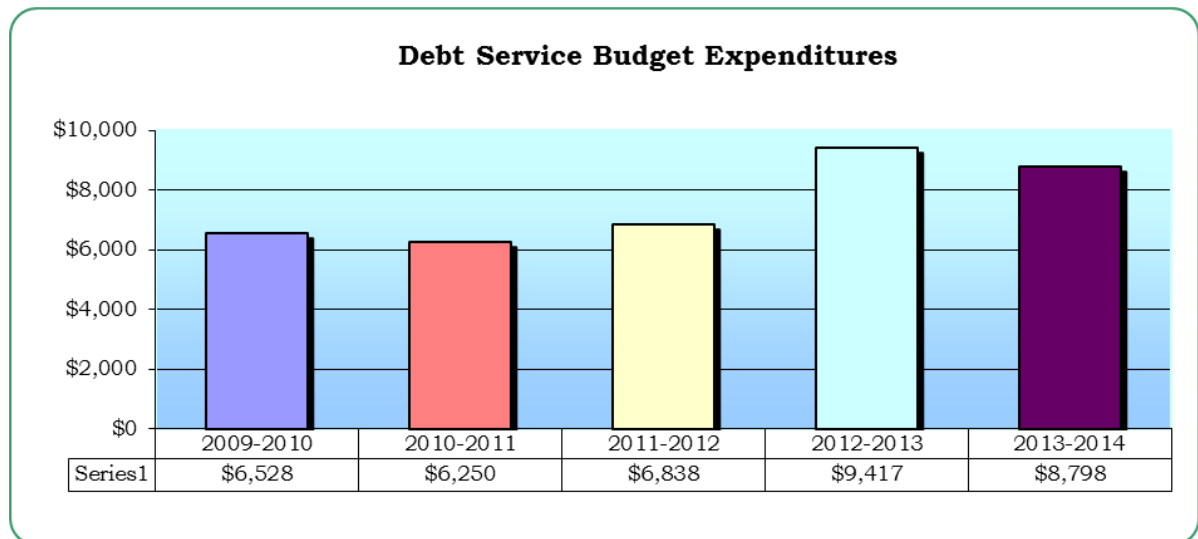
SUMMARY OF DEBT SERVICES PAYMENTS BY TYPE

SCHOOL DEBT	\$2,903,836	\$4,521,986	\$4,521,986	\$4,385,780	\$4,385,780
GENERAL IMPROVEMENT DEBT	3,548,209	4,239,049	4,239,049	4,098,397	4,098,397
SEWER OPERATING	259,032	655,920	655,920	544,388	544,388
TOTAL DEBT	\$6,711,078	\$9,416,955	\$9,416,955	\$9,028,565	\$9,028,565

Program Summary

This series of line items reflects those expenditures made by the City for principal and interest payments for short and long-term debt. A debt service fund was created for the payments made to service this type of debt. The debt service fund is not a budgetary fund. Deposits to the debt service fund are in the form of operating transfers out from the general fund.

Shown below are the expenditures in the debt service fund during the past five fiscal years.



Numbers in the above chart are in thousands

Debt Management (continued)

Program Commentary

Capital infrastructure is essential to all municipalities large and small. The amounts budgeted and expended for debt service have a direct relationship to the City's strategies for financing capital improvements. It is important to prepare a short-term and a long-term plan for the replacement and/or addition of City fixed assets and to estimate the available funding sources. To implement both plans (short and long-term), the City prepares a Capital Improvement Program (CIP). The CIP is a multi-year plan that identifies capital projects to be funded during the planning period. This represents the City's long-term infrastructure plan. The City also approves a Capital Budget, which represents the first year of the CIP. The Capital Budget, described beginning on page 335, is the City's annual appropriation for capital spending and is legally adopted by the City.

The City uses a policy of providing a mix of current revenues, state and federal grants, intergovernmental contributions, and bond proceeds to fund its capital projects. However, given the advantageously low long-term debt rate environment during the past couple of years, the City has consciously chosen to issue long-term general obligation debt for its larger capital projects.

Bond Rating

The Government Finance Officers Association (GFOA) Elected Official's Guide to Rating Agency Presentations describes a **bond rating** as an independent assessment of the relative credit risk associated with purchasing and holding a particular bond, and the likelihood that the obligation will be repaid. The rating focuses on the city's ability and willingness to make full and timely payments. The City of Bristol uses the services of three rating agencies.

There are three primary agencies that rate debt issuances of private and for-profit entities. They are: Moody's Investors Service, Standard & Poor's Ratings Service, and Fitch Inc.

Bond ratings are public information, and the rating agencies use a number of means to distribute their ratings to a wide audience. Investors are the most common users of bond ratings. But because ratings are so accessible and easy to understand, the media, policy makers, and taxpayers also use them and often consider the rating an indication of a municipality's, like Bristol's, overall fiscal health.

A credit rating does affect the cost of borrowing. A high bond rating indicates low credit risk to the investor, low risk results in a higher sale price and lower coupon interest rates for the bond's issuer (the City). When all other factors are held constant, borrowing will be more costly for an issuer with a lower bond rating.

In assigning a credit rating, the rating agency's primary concern is the issuer's willingness and ability to repay the debt on time and in full. Different factors are then analyzed. The credit analyst will focus on four primary factors.

They are:

- ✓ **Debt management** – An assessment of the community's ability to support existing and planned debt obligations, using key financial ratios as indicators such as debt per capita and overall debt burden.
- ✓ **Administrative issues** – A review of the organization and authority of the government's administration and services for which it is directly responsible. Also included in this category is an assessment of the goals and philosophies of management and the type of budgeting used.

Debt Management (continued)

- ✓ **Financial performance** – An analysis of revenue and expenditure trends and the adequacy, dependability, and scope of revenues, including the issuer's ability to tap into additional revenue sources for debt service. This category also includes financial position and the size and composition of fund balance.
- ✓ **Economic base** – An evaluation of the jurisdiction's economic outlook focusing on the tax base, income, population, employment, diversity and composition of employers, building permits, vacancy rates, and real estate values.

Of all the factors, the economic base tends to carry the most weight in rating, but it is also the category over which issuers have the least amount of control. Also of prime importance is financial performance. The other two factors – administrative factors and debt management – considered “lesser” factors in the past, have been placed to the forefront by the rating agencies. In fact, all three agencies have cited that: “Bristol’s experienced and capable fiscal management has contributed to its consistent financial performance.”

The City issued \$40.4 million of tax-exempt general obligation bonds in June 2011. Taxable notes in the amount of \$5.81 million were issued on 04/29/2013. The notes will mature February 17, 2014 and will be re-issued (rolled over) in their entirety.

Standard and Poor’s upgraded the City’s bond rating from AA to AA+, the Moody’s Investors Service rating remained at Aa3 and the Fitch ratings remained at AA.

Standard and Poor’s and Fitch assigned ratings of “SP-1+” and “F1+”, respectively to the Notes.

The bonds were issued to permanently finance various general purpose and school projects. The notes were issued to provide temporary financing for general purpose projects (mall site and related expenses).

Rating Methodology: Recalibration of Moody’s U.S. Municipal Ratings to its Global Rating Scale.

In April 2010, Moody’s recalibrated its long-term U.S. municipal ratings to its global rating scale. The benchmarking analysis of municipal credits against global scale ratings across the Moody’s rated universe will result in an upward shift for most state and local government long-term municipal ratings- Moody’s Investors Service. Due to the recalibration of the ratings, the City rating was raised from Aa3 to Aa2.

Program Summaries- Debt Management

Debt Management (continued)

The following is a Ratings Guide to the three public rating agencies.

Rating	Description
Fitch IBCA	
AAA	Highest credit quality
AA (+ or -)*	Very high credit quality
A (+ or -)	High credit quality
BBB (+ or -)	Good credit quality
BB (+ or -)	Speculative
B (+ or -)	Highly speculative
CCC,CC,C (+ or -)	High default risk
D	In default
Moody's	
Aaa	Best quality
Aa1, Aa2, Aa3	High quality by all standards
A1, A2, A3	Upper medium grade
Baa1, Baa2, Baa3	Medium grade
Ba1, Ba2, Ba3	Has speculative elements
B1, B2, B3	Generally lacks characteristics of a desirable investment
Caa	Poor standing; may be in default
Ca	Speculative in a high degree; often in default
C	Lowest rated class of bonds; extremely poor prospects
Standard & Poor's	
AAA	Highest quality; extremely strong capacity to pay
AA (+ or -)	High quality; very strong capacity to pay
A (+ or -)	Strong capacity to pay principal and interest
BBB (+ or -)	Adequate capacity to pay principal and interest
BB (+ or -)	Low speculative
B (+ or -)	Speculative
CCC,CC (+ or -)	High speculation
C	Income bonds on which no interest is being paid
D	In default
* "+" or "-" may be added to Fitch IBCA and Standard & Poor's ratings to indicate the relative positions of a credit within a rating category. The digits 1-3 appended to Moody's ratings perform the same function.	

The Past (Debt Issuances)

The City's most recent long term debt issuance was on June 15, 2011, with a total of \$40,400,000 issued. On February 17, 2014 the short-term note portion will be rolled over. The chart below illustrates the projects covered by the short-term issue:

Project	The Notes to Mature
Mall Purchase/Legal.....	\$4,800,000
Mall Demolition/Abatement.....	\$300,000
	<u>\$5,100,000</u>

Current Budget (Debt Service)

The City has budgeted \$8,798,305 for existing debt service obligations in the 2012-2013 general fund budget. This amount fully funds the City of Bristol's debt service principal and interest payments on outstanding obligations. The Water Pollution Control budget found in the Special Revenue section contains the remaining funds of \$230,260 for its portion of debt service from the June 2011 issue. A listing of projects and outstanding bonds as of July 1, 2013 can be found on page 378.

Debt Management (continued)

Capital Project Loan Obligations

The City entered into Project Loan and Project Grant Agreements from 2002 and 2006 between the State of Connecticut and the City of Bristol at an annual rate of 2%. The purpose of the loans was for Water Pollution Control upgrades to existing sewer lines to reduce flow volume into the wastewater treatment plant.

These obligations are being repaid monthly through sewer user fees within the Water Pollution Control Capital Non-recurring fund.

Shown below are the Clean Water Loans that were received by the City of Bristol. A schedule of the remaining balances can be found on page 377.

Contract #	Date of Issuance	Amount Issued
415 D/C	6/30/2002	\$ 1,409,533.19
498 D/C	6/30/2002	\$ 1,483,380.00
504 C	12/31/2003	\$ 1,488,101.08
562 C	11/30/2004	\$ 693,527.00
464 C	5/31/2006	\$ 470,225.00
Total Cleanwater		\$ 5,544,766.27

Capital Projects

A detailed explanation of approved Capital Projects for the upcoming year to be funded, in part, by debt issuance may be found behind the 'Capital Budget Summary' tab located toward the back of this document. The City issued \$40.4 million in long-term bonds on June 15, 2011. The majority of this issue is for the two new K-8 schools, with the remainder for various Citywide infrastructure improvements. A more comprehensive review of Capital Projects can be found behind the 'Capital Budget Summary' tab in this document. Located on page 378 of this document is a listing of bonding appropriations the City has made within the Capital Projects Funds.

The Future (Debt Policy)

In keeping with its debt policy and long-term goals, the City will strive not to issue bonds more frequently than once every two fiscal years. The City will also try to ensure its bonded debt per capita does not exceed \$1,000. The City adopted a debt policy on May 22, 2001 that can be found behind the 'Policy Initiatives' tab in this budget document.

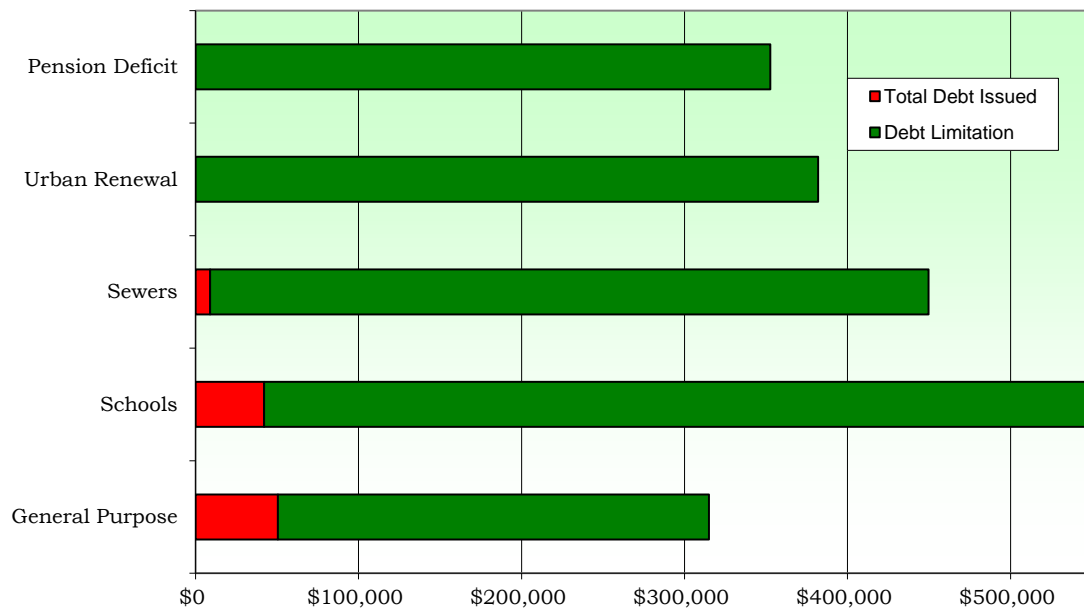
The City issues debt only for projects included in the Capital Improvement Program and approved in the capital improvement budget. Before doing so, the City reviews the status of previously approved projects, develops information for new projects, and examines capital project alternatives. Debt levels are carefully analyzed to assess how much borrowing capacity to allow. Taken into consideration are environmental factors such as community needs and resources, external economic conditions, financial factors, such as expected year-end operating position, financial condition, proposed debt structure, market conditions, fund balance levels, as well as statistical benchmarks known to be considered by rating agencies. Used in combination, these factors help aid the current debt service decision-making process and also keep debt within manageable bounds for future debt issuance considerations.

Debt Management (continued)

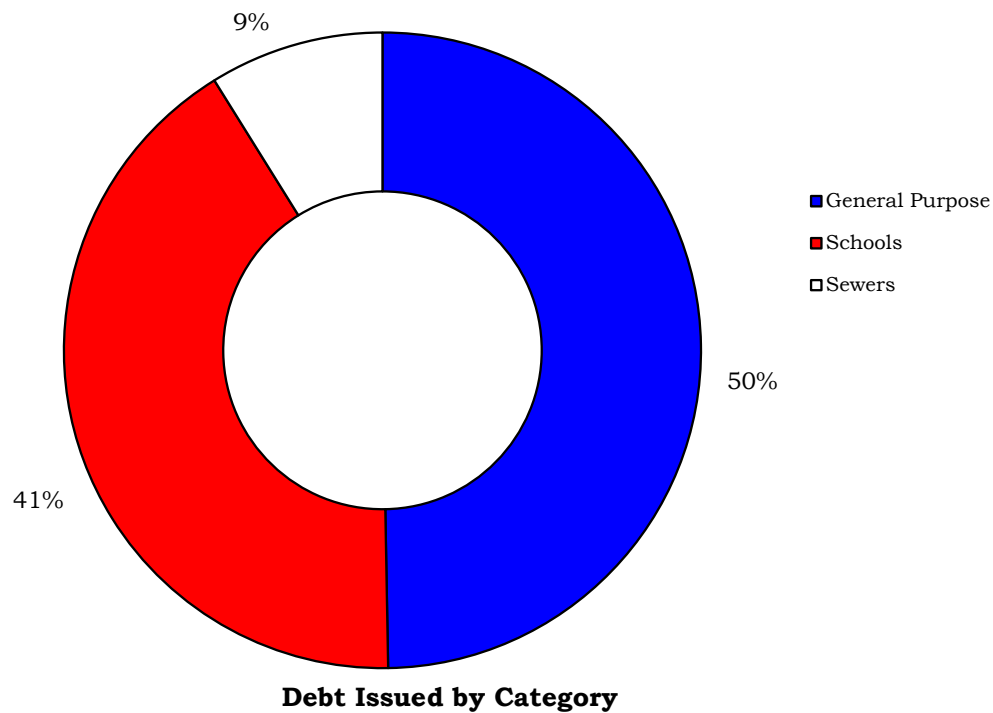
The City prefers its debt structure to be level and to have a relatively rapid payback period which keeps the bond year short. Again, this strategy is viewed positively by rating agencies and allows the community to take advantage of the year-to-year reduction of debt service for other purposes.

Finally, Connecticut municipalities fall under state laws to keep debt issuances within statute-provided limits. While these authorized versus issued limits are set reasonably high, the City of Bristol is conscious of these limits and the City's total debt outstanding is well below these limits. Shown below is a graphical representation of the debt limitation imposed by the State of Connecticut vs. the actual debt authorized by the City of Bristol.

**Debt Limitation vs. Actual Debt Issued
(In Thousands)**



Debt Management (continued)



The charts above and on the preceding page are from the Schedule of Debt Limitation as of June 30, 2012 found on the next page.

SCHEDULE OF LEGAL DEBT LIMITATION

State of Connecticut general statutes indicate that ***in no case shall total indebtedness exceed seven times annual receipts from taxation.***

The chart on the following page shows the City of Bristol Debt Limitation and actual debt authorized in the five major categories: General Purpose, Schools, Sewers, Urban Renewal and Pension Deficit. The chart clearly indicates that Bristol is well below the statutory requirements for debt issuance. Amounts shown are in thousands.

**Program Summaries-
Debt Management**

Debt Management (continued)

**Schedule of Debt Limitation
June 30, 2012
(In Thousands)**

Total tax collections, including interest and lien fees \$ 117,518

Reimbursement for loss of revenues:

Tax relief for elderly - freeze 6

Base \$ 117,524

	<u>General Purpose</u>	<u>Schools</u>	<u>Sewers</u>	<u>Urban Renewal</u>	<u>Pension Deficit</u>
Debt limitation:					
2-1/4 times base	\$ 264,436	\$	\$	\$	\$
4-1/2 times base		528,872			
3-3/4 times base			440,726		
3-1/4 times base				381,963	
3 times base					352,581
Total	<u>264,436</u>	<u>528,872</u>	<u>440,726</u>	<u>381,963</u>	<u>352,581</u>
Indebtedness:					
Bonds and notes payable	35,017	40,279	7,607		
Bond anticipation notes	7,410				
Bonds authorized and unissued	8,093	102,436	450		
State Grant Commitments		(100,613)			
Total	<u>50,520</u>	<u>42,102</u>	<u>8,057</u>	<u></u>	<u></u>
Debt Limitation in Excess of Outstanding and Authorized Debt	<u>\$ 213,916</u>	<u>\$ 486,770</u>	<u>\$ 432,669</u>	<u>\$ 381,963</u>	<u>\$ 352,581</u>

NOTE: In no event shall total debt exceed seven times annual receipts from taxation. The permitted under this formula would be \$822,668

Program Summaries- Debt Management

Debt Management (continued)

Budget Highlights

DEBT8010 LONG TERM DEBT- PRINCIPAL

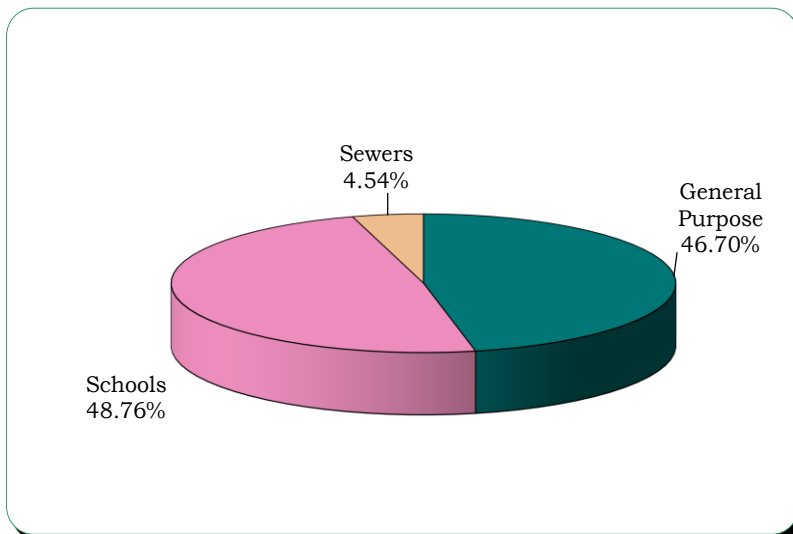
OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2011-2012	ORIGINAL BUDGET 2012-2013	REVISED BUDGET 2012-2013	BUDGET REQUEST 2013-2014	JOINT BOARD 2013-2014
LONG TERM DEBT- PRINCIPAL							
588111		SCHOOL DEBT	\$1,705,000	\$3,060,000	\$3,060,000	\$3,060,000	\$3,060,000
588112		GENERAL IMPROVEMENT	2,475,375	2,930,375	2,930,375	2,930,375	2,930,375
588115		SEWER OPERATING DEBT	95,000	380,000	380,000	285,000	285,000
TOTAL LONG TERM DEBT PRINCIPAL			\$4,275,375	\$6,370,375	\$6,370,375	\$6,275,375	\$6,275,375
TOTAL LONG TERM DEBT PRINCIPAL			\$4,275,375	\$6,370,375	\$6,370,375	\$6,275,375	\$6,275,375

DEBT8020 LONG TERM DEBT- INTEREST

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2011-2012	ORIGINAL BUDGET 2012-2013	REVISED BUDGET 2012-2013	BUDGET REQUEST 2013-2014	JOINT BOARD 2013-2014
LONG TERM DEBT INTEREST							
588121		SCHOOL DEBT	\$1,198,836	\$1,461,986	\$1,461,986	\$1,325,780	\$1,325,780
588122		GENERAL IMPROVEMENT	1,006,967	1,242,804	1,242,804	1,068,020	1,068,020
588125		SEWER OPERATING DEBT	164,032	275,920	275,920	259,390	259,390
TOTAL LONG TERM DEBT INTEREST			\$2,369,836	\$2,980,710	\$2,980,710	\$2,653,190	\$2,653,190
TOTAL LONG TERM DEBT INTEREST			\$2,369,836	\$2,980,710	\$2,980,710	\$2,653,190	\$2,653,190

DEBT8040 SHORT TERM DEBT INTEREST

OBJECT	PROJECT	DESCRIPTION	PRIOR YEAR ACTUAL 2011-2012	ORIGINAL BUDGET 2012-2013	REVISED BUDGET 2012-2013	BUDGET REQUEST 2013-2014	BOF APPROVED 2013-2014
DEBT SERVICE TRANSFER OUT							
588122		GENERAL IMPROVEMENT DEBT- INTEREST	\$65,867	\$65,870	\$65,870	\$100,000	\$100,000
TOTAL DEBT SERVICE TRANSFER OUT			\$65,867	\$65,870	\$65,870	\$100,000	\$100,000
TOTAL DEBT SERVICE TRANSFER OUT			\$65,867	\$65,870	\$65,870	\$100,000	\$100,000



The graph illustrates three categories for long-term debt principal for FY 2013-2014. As shown to the left, long-term debt service principal for schools will account for 48.76% or \$3,060,000 of the long-term debt service principal payments, while general improvement debt is 46.70% or \$2,930,375. The remaining 4.54% or \$285,000 consists of debt relating to sewer system upgrades.

**Program Summaries-
Debt Management**

Debt Management (continued)

Shown below and on the following page are the debt service schedules provided by the Treasurer's Office. These schedules indicate each principal and interest payment by bond issuance year.

CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2013-14 BUDGET				FUNCTION:DEBT SERVICE			
EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND							
LONG TERM DEBT PRINCIPAL PAYMENTS							
1	2	3	4	5	6	7	8
INT. RATE	PRINCIPAL PAYMENTS: DESCRIPTION	PMT/ #TTL 2013-14	PRIOR YEAR EXPENDED 2011-12	ADOPTED BUDGET 2012-13	REVISED ESTIMATE 2012-13	BUDGET REQUEST 2013-14	APPROVED BUDGET 2013-14
3.74	SCHOOL BONDS - '05	9/14	\$ 955,000	\$ 965,000	\$ 955,000	\$ 970,000	\$ 970,000
3.75	SCHOOL BONDS - '06	7/16	725,000	725,000	725,000	725,000	725,000
3.12	SCHOOL BONDS - '09	5/16	25,000	25,000	25,000	20,000	20,000
3.45	SCHOOL BONDS - '11	2/19	0	1,345,000	1,345,000	1,345,000	1,345,000
	SCHOOL REFUNDING '11		0	0	0	0	0
588111	TOTAL SCHOOL BONDS		\$ 1,705,000	\$ 3,060,000	\$ 3,050,000	\$ 3,060,000	\$ 3,060,000
3.84	IMPROVEMENT - '04	9/17	\$ 1,315,000	\$ 1,315,000	\$ 1,315,000	\$ 1,315,000	\$ 1,315,000
3.93	IMPROVEMENT - '06	7/16	625,375	625,375	625,375	625,375	625,375
3.12	IMPROVEMENT - '09	5/16	535,000	535,000	535,000	535,000	535,000
3.45	IMPROVEMENT - '11	2/19	0	455,000	455,000	455,000	455,000
	IMPROVEMENT REFUNDING '11		0	0	0	0	0
588112	TOTAL GEN'L IMPROVEMENT none		\$ 2,475,375	\$ 2,930,375	\$ 2,930,375	\$ 2,930,375	\$ 2,930,375
588113	TOTAL URBAN RENEWAL none		\$ -	\$ -	\$ -	\$ -	\$ -
588114	SEWER-ASSESSABLE PROJECTS		\$ -	\$ -	\$ -	\$ -	\$ -
5.05	SEWER REFUNDING - '93		\$ 95,000	\$ 95,000	\$ 95,000	\$ -	\$ -
3.45	SEWER BONDS - '11	2/19	0	285,000	285,000	285,000	285,000
	SEWER REFUNDING - '11		0	0	0	0	0
588115	SEWER-OPERATING		\$ 95,000	\$ 380,000	\$ 380,000	\$ 285,000	\$ 285,000
8010	SUBTOTAL LONGTERM DEBT PRINCIPAL		\$ 4,275,375	\$ 6,370,375	\$ 6,360,375	\$ 6,275,375	\$ 6,275,375
588310	LEASE PURCHASE PRINCIPAL		\$ -	\$ -	\$ -	\$ -	\$ -
8010	LONG TERM DEBT PRINCIPAL TOTAL		\$ 4,275,375	\$ 6,370,375	\$ 6,360,375	\$ 6,275,375	\$ 6,275,375

DEBT CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2013-14 BUDGET EXPENDITURE ESTIMATE SUMMARY						
SHORT TERM DEBT INTEREST						
1 COST CENTER	2 DESCRIPTION	3 PRIOR YEAR EXPENDED 2011-12	4 ADOPTED BUDGET 2012-2013	5 REVISED ESTIMATED 2012-13	6 BUDGET REQUEST 2013-2014	7 APPROVED BUDGET 2013-2014
588121	SCHOOL DEBT INTEREST	\$0	\$0	\$0	\$0	\$0
588122	GENERAL IMPROVEMENT	184,735	69,215	69,215	100,000	100,000
588125	SEWER DEBT INTEREST	0	0	0	0	0
8040	TOTAL SHORT TERM DEBT INTEREST PAYMENTS	\$184,735	\$69,215	\$69,215	\$100,000	\$100,000

**Program Summaries-
Debt Management**

Debt Management (continued)

DEBT CITY OF BRISTOL, CONNECTICUT FISCAL YEAR 2013-14 BUDGET 8020 EXPENDITURE ESTIMATE DETAIL -- GENERAL FUND						
FUNCTION: DEBT SERVICE						
LONG TERM DEBT INTEREST PAYMENTS						
1	2	3	4	5	6	7
INT. RATE	INTEREST PAYMENTS: DESCRIPTION	PRIOR YEAR EXPENDED 2011-12	ADOPTED BUDGET 2012-2013	REVISED ESTIMATE 2012-13	BUDGET REQUEST 2013-14	APPROVED BUDGET 2013-14
3.74	SCHOOL BONDS - '05	\$ 315,758	\$ 267,757	\$ 267,757	\$ 219,383	\$ 219,383
3.75	SCHOOL BONDS - '06	33,531	53,469	53,469	19,938	19,938
3.12	SCHOOL BONDS - '09	10,000	9,500	9,500	9,000	9,000
3.45	SCHOOL BONDS - '11	571,931	884,140	884,140	830,340	830,340
	SCHOOL REFUNDING '11	267,617	247,120	247,120	247,120	247,120
588121	TOTAL SCHOOL BONDS	\$ 1,198,837	\$ 1,461,986	\$ 1,461,986	\$ 1,325,780	\$ 1,325,780
3.84	IMPROVEMENT - '04	\$ 527,644	\$ 67,394	\$ 67,394	\$ 23,013	\$ 23,013
3.93	IMPROVEMENT - '06	282,982	46,121	46,121	17,198	17,198
3.12	IMPROVEMENT - '09	196,341	208,854	208,854	125,577	125,577
3.45	IMPROVEMENT - '11	0	298,865	298,865	280,665	280,665
	IMPROVEMENT REFUNDING '11	0	621,570	621,570	621,570	621,570
588122	TOTAL GEN'L IMPROVEMENT	\$ 1,006,967	\$ 1,242,804	\$ 1,242,804	\$ 1,068,023	\$ 1,068,023
	none					
588123	TOTAL URBAN RENEWAL	\$ -	\$ -	\$ -	\$ -	\$ -
	none					
588124	SEWER-ASSESSABLE PROJ	\$ -	\$ -	\$ -	\$ -	\$ -
5.05	SEWER REFUNDING - '93	\$ 10,260	\$ 5,130	\$ 5,130	\$ -	\$ -
3.45	SEWER BONDS - '11	153,772	186,930	186,930	175,528	175,528
	SEWER REFUNDING - '11	0	83,860	83,860	83,860	83,860
588125	SEWER-OPERATING	\$ 164,032	\$ 275,920	\$ 275,920	\$ 259,388	\$ 259,388
8020	SUBTOTAL LONG TERM DEBT INTEREST	\$ 2,369,836	\$ 2,980,710	\$ 2,980,710	\$ 2,653,190	\$ 2,653,190
588320	LEASE PURCHASE INT	\$0	\$0	\$0	\$0	\$0
8020	LONG TERM DEBT INTEREST	\$ 2,369,836	\$ 2,980,710	\$ 2,980,710	\$ 2,653,190	\$ 2,653,190

Shown below is a chart summarizing the long-term obligations of the City of Bristol, including the self-supporting water (enterprise) debt. Displayed on the chart is the original issue amount of the long-term obligation as well as the present balance and maturity year.

Debt Summary Long-Term Bonded Debt As of July 1, 2013 (Pro-Forma)						
Issue	Purpose	Rate	Original Issue	Balance Outstanding	Fiscal Year Maturity	
5/15/1995 Water		5.67	1,640,000	100,000	2014	
9/1/1996 Water		5.35	4,260,000	1,260,000	2017	
(6/15/05 PARTIAL REFUND 9/1/1996-Water)			(2,325,000)	(1,260,000)	2017	
10/15/1998 School		4.33	17,440,000	7,715,000	2019	
(6/15/05 PARTIAL REFUND 10/15/1998-School)			(10,625,000)	(7,715,000)	2019	
6/30/2002 Cleanwater Loan 415 D/C		2.00	1,409,533	626,218	2021	
6/30/2002 Cleanwater Loan 498 D/C		2.00	1,483,380	659,025	2021	
12/31/2003 Cleanwater Loan 504 C		2.00	1,488,101	773,742	2023	
10/15/2004 General Improvement		3.84	22,365,000	11,835,000	2022	
10/15/2004 Water		3.84	600,000	315,000	2022	
11/30/2004 Cleanwater Loan 562 C		2.00	693,527	394,727	2024	
6/15/2005 Refunding of 1996 Water Bonds		3.74	2,315,000	800,000	2018	
6/15/2005 Refunding of 1998 School Bonds		3.74	10,635,000	5,770,000	2019	
5/31/2006 Cleanwater 464 C		2.00	470,225	322,113	2026	
12/1/2006 General Improvement		3.93	10,006,000	6,253,750	2023	
12/1/2006 Schools		3.93	11,600,000	7,250,000	2023	
12/1/2006 Water		3.93	3,394,000	2,136,250	2023	
2/15/2009 Schools		2.23	385,000	285,000	2025	
2/15/2009 General Improvement		2.23	8,515,000	6,375,000	2025	
6/15/2011 Water		4.00	813,000	768,000	2031	
6/15/2011 Schools		4.00	25,550,000	24,205,000	2031	
6/15/2011 General Improvement		4.00	8,637,000	8,182,000	2031	
6/15/2011 Sewer		4.00	5,400,000	5,115,000	2031	
Sub-total			\$126,149,766	\$82,165,825		

Program Summaries- Debt Management

Debt Management (continued)

Below is a chart showing the City of Bristol's bond ratings for bonds issued since 1988.

CITY OF BRISTOL BOND ISSUE RATINGS				
<u>Issue Date</u>	<u>Amount</u>	<u>Moody's Rating</u>	<u>Standard & Poor's Rating</u>	<u>Fitch</u>
June 15, 2011	\$40,400,000	Aa2	AA+	AA+
February 4, 2009	\$8,900,000	Aa3	AA+	AA
December 1, 2006	\$25,000,000	Aa3	AA	AA
June 15, 2005	\$13,055,000	Aa3	AA	AA
October 15, 2004	\$22,965,000	Aa3	AA	AA
September 1, 2000	\$6,440,000	Aa3	AA-	
October 15, 1998	\$17,765,000	A1	AA-	
September 1, 1996	\$4,260,000	A1	AA-	
May 15, 1995	\$2,790,000	A1	AA-	
December 15, 1993	\$6,775,000	A1	AA-	
March 1, 1992	\$23,435,000	A1	AA-	
March 1, 1991	\$9,295,000	A1	AA	
December 15, 1988	\$17,970,000	A1	AA	
February 15, 1988	\$8,765,000	A1	AA	

Below is a chart illustrating the City of Bristol's outstanding debt. The chart shows the beginning principal balance, principal payments, interest payments and the ending debt balance as well as the cumulative principal percent of debt retired. All debt types (general improvement, education, sewer and water department (enterprise) and Cleanwater loans are shown independently on the next few pages with the same information.

All City Long-term Debt (excluding water) As of July 1, 2013 (Pro-Forma)						
<u>Fiscal Year Ended</u> <u>June 30</u>	<u>Principal</u> <u>Beginning Balance</u>	<u>Principal</u> <u>Payments</u>	<u>Interest</u> <u>Payments</u>	<u>Total</u> <u>Payments</u>	<u>Principal</u> <u>Ending Balance</u>	<u>Cumulative %</u> <u>Principal Retired</u>
2013					\$ 78,046,576	32.5
2014	\$ 78,046,576	\$ 6,556,257	\$ 2,706,139	\$ 9,262,396	\$ 71,490,319	38.1
2015	\$ 71,490,319	\$ 6,571,926	\$ 2,450,428	\$ 9,022,354	\$ 64,918,393	43.8
2016	\$ 64,918,393	\$ 6,572,710	\$ 2,208,181	\$ 8,780,891	\$ 58,345,684	49.5
2017	\$ 58,345,684	\$ 6,573,610	\$ 1,968,391	\$ 8,542,001	\$ 51,772,073	55.2
2018	\$ 51,772,073	\$ 6,552,630	\$ 1,749,596	\$ 8,302,226	\$ 45,219,443	60.9
2019	\$ 45,219,443	\$ 6,543,771	\$ 1,536,413	\$ 8,080,184	\$ 38,675,672	60.6
2020	\$ 38,675,672	\$ 5,620,036	\$ 1,316,075	\$ 6,936,111	\$ 33,055,635	66.3
2021	\$ 33,055,635	\$ 5,626,428	\$ 1,111,304	\$ 6,737,732	\$ 27,429,207	71.2
2022	\$ 27,429,207	\$ 5,457,361	\$ 915,391	\$ 6,372,753	\$ 21,971,846	69.8
2023	\$ 21,971,846	\$ 4,100,534	\$ 747,486	\$ 4,848,021	\$ 17,871,312	64.1
2024	\$ 17,871,312	\$ 2,686,095	\$ 632,948	\$ 3,319,043	\$ 15,185,218	69.0
2025	\$ 15,185,218	\$ 2,665,913	\$ 542,378	\$ 3,208,291	\$ 12,519,304	68.8
2026	\$ 12,519,304	\$ 2,104,304	\$ 448,023	\$ 2,552,327	\$ 10,415,000	73.8
2027	\$ 10,415,000	\$ 2,083,000	\$ 372,336	\$ 2,455,336	\$ 8,332,000	79.0
2028	\$ 8,332,000	\$ 2,083,000	\$ 291,620	\$ 2,374,620	\$ 6,249,000	84.3
2029	\$ 6,249,000	\$ 2,083,000	\$ 208,300	\$ 2,291,300	\$ 4,166,000	89.5
2030	\$ 4,166,000	\$ 2,083,000	\$ 124,980	\$ 2,207,980	\$ 2,083,000	94.8
2031	\$ 2,083,000	\$ 2,083,000	\$ 41,660	\$ 2,124,660	\$ 0	100.0
Totals:	\$ 78,046,575	\$ 19,371,650	\$ 97,418,225			

**Program Summaries-
Debt Management**

Debt Management (continued)

General Improvement Long-term Debt As of July 1, 2013 (Pro-Forma)							
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired	
2013					\$ 32,645,750	34.1	
2014	\$ 32,645,750	\$ 2,930,375	\$ 1,151,595	\$ 4,081,970	\$ 29,715,375	40.0	
2015	\$ 29,715,375	\$ 2,930,375	\$ 1,048,528	\$ 3,978,903	\$ 26,785,000	45.9	
2016	\$ 26,785,000	\$ 2,930,375	\$ 947,090	\$ 3,877,465	\$ 23,854,625	51.8	
2017	\$ 23,854,625	\$ 2,925,375	\$ 841,695	\$ 3,767,070	\$ 20,929,250	57.7	
2018	\$ 20,929,250	\$ 2,925,375	\$ 739,916	\$ 3,665,291	\$ 18,003,875	63.6	
2019	\$ 18,003,875	\$ 2,925,375	\$ 637,524	\$ 3,562,899	\$ 15,078,500	69.6	
2020	\$ 15,078,500	\$ 2,925,375	\$ 528,084	\$ 3,453,459	\$ 12,153,125	75.5	
2021	\$ 12,153,125	\$ 2,925,375	\$ 416,497	\$ 3,341,872	\$ 9,227,750	81.4	
2022	\$ 9,227,750	\$ 2,925,375	\$ 304,216	\$ 3,229,591	\$ 6,302,375	76.8	
2023	\$ 6,302,375	\$ 1,610,375	\$ 217,998	\$ 1,828,373	\$ 4,692,000	72.6	
2024	\$ 4,692,000	\$ 984,000	\$ 170,371	\$ 1,154,371	\$ 3,708,000	78.4	
2025	\$ 3,708,000	\$ 984,000	\$ 134,416	\$ 1,118,416	\$ 2,724,000	68.5	
2026	\$ 2,724,000	\$ 454,000	\$ 97,610	\$ 551,610	\$ 2,270,000	73.7	
2027	\$ 2,270,000	\$ 454,000	\$ 81,153	\$ 535,153	\$ 1,816,000	79.0	
2028	\$ 1,816,000	\$ 454,000	\$ 63,560	\$ 517,560	\$ 1,362,000	84.2	
2029	\$ 1,362,000	\$ 454,000	\$ 45,400	\$ 499,400	\$ 908,000	89.5	
2030	\$ 908,000	\$ 454,000	\$ 27,240	\$ 481,240	\$ 454,000	94.7	
2031	\$ 454,000	\$ 454,000	\$ 9,080	\$ 463,080	\$ -	100.0	
Totals:		\$ 32,645,750	\$ 7,461,971	\$ 40,107,721			

The charts below illustrate the City of Bristol's General Improvement Debt along with the self-supporting water (enterprise fund) debt.

Self-Supporting Water Debt As of July 1, 2013 (Pro-Forma)							
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired	
2013					\$ 4,119,250	61.5	
2014	\$ 4,119,250	\$ 594,625	\$ 153,294	\$ 747,919	\$ 3,524,625	67.1	
2015	\$ 3,524,625	\$ 489,625	\$ 124,711	\$ 614,336	\$ 3,035,000	66.5	
2016	\$ 3,035,000	\$ 494,625	\$ 105,174	\$ 599,799	\$ 2,540,375	72.0	
2017	\$ 2,540,375	\$ 489,625	\$ 86,855	\$ 576,480	\$ 2,050,750	77.4	
2018	\$ 2,050,750	\$ 291,625	\$ 72,881	\$ 364,506	\$ 1,759,125	63.4	
2019	\$ 1,759,125	\$ 291,625	\$ 62,249	\$ 353,874	\$ 1,467,500	69.5	
2020	\$ 1,467,500	\$ 291,625	\$ 50,794	\$ 342,419	\$ 1,175,875	75.5	
2021	\$ 1,175,875	\$ 291,625	\$ 39,317	\$ 330,942	\$ 884,250	81.6	
2022	\$ 884,250	\$ 291,625	\$ 28,006	\$ 319,631	\$ 592,625	87.7	
2023	\$ 592,625	\$ 256,625	\$ 17,418	\$ 274,043	\$ 336,000	92.0	
2024	\$ 336,000	\$ 42,000	\$ 11,839	\$ 53,839	\$ 294,000	63.8	
2025	\$ 294,000	\$ 42,000	\$ 10,474	\$ 52,474	\$ 252,000	69.0	
2026	\$ 252,000	\$ 42,000	\$ 9,030	\$ 51,030	\$ 210,000	74.2	
2027	\$ 210,000	\$ 42,000	\$ 7,508	\$ 49,508	\$ 168,000	79.3	
2028	\$ 168,000	\$ 42,000	\$ 5,880	\$ 47,880	\$ 126,000	84.5	
2029	\$ 126,000	\$ 42,000	\$ 4,200	\$ 46,200	\$ 84,000	89.7	
2030	\$ 84,000	\$ 42,000	\$ 2,520	\$ 44,520	\$ 42,000	94.8	
2031	\$ 42,000	\$ 42,000	\$ 840	\$ 42,840	\$ -	100.0	
2032	\$ -	\$ -	\$ -	\$ -	\$ -	100.0	
Totals:		\$ 4,119,250	\$ 792,989	\$ 4,912,239			

Program Summaries- Debt Management

Debt Management (continued)

The following debt management charts display the City of Bristol's long-term school and sewer debt.

School Long-term Debt As of July 1, 2013 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2013					\$ 37,510,000	31.8
2014	\$ 37,510,000	\$ 3,060,000	\$ 1,326,066	\$ 4,386,066	\$ 34,450,000	37.3
2015	\$ 34,450,000	\$ 3,070,000	\$ 1,190,491	\$ 4,260,491	\$ 31,380,000	42.9
2016	\$ 31,380,000	\$ 3,065,000	\$ 1,066,866	\$ 4,131,866	\$ 28,315,000	48.5
2017	\$ 28,315,000	\$ 3,065,000	\$ 949,771	\$ 4,014,771	\$ 25,250,000	54.1
2018	\$ 25,250,000	\$ 3,040,000	\$ 847,304	\$ 3,887,304	\$ 22,210,000	59.6
2019	\$ 22,210,000	\$ 3,025,000	\$ 749,730	\$ 3,774,730	\$ 19,185,000	48.9
2020	\$ 19,185,000	\$ 2,095,000	\$ 655,003	\$ 2,750,003	\$ 17,090,000	54.5
2021	\$ 17,090,000	\$ 2,095,000	\$ 578,115	\$ 2,673,115	\$ 14,995,000	60.1
2022	\$ 14,995,000	\$ 2,095,000	\$ 507,890	\$ 2,602,890	\$ 12,900,000	65.6
2023	\$ 12,900,000	\$ 2,095,000	\$ 437,615	\$ 2,532,615	\$ 10,805,000	58.3
2024	\$ 10,805,000	\$ 1,370,000	\$ 380,924	\$ 1,750,924	\$ 9,435,000	63.6
2025	\$ 9,435,000	\$ 1,370,000	\$ 336,212	\$ 1,706,212	\$ 8,065,000	68.4
2026	\$ 8,065,000	\$ 1,345,000	\$ 288,978	\$ 1,633,978	\$ 6,720,000	73.7
2027	\$ 6,720,000	\$ 1,344,000	\$ 240,240	\$ 1,584,240	\$ 5,376,000	79.0
2028	\$ 5,376,000	\$ 1,344,000	\$ 188,160	\$ 1,532,160	\$ 4,032,000	84.2
2029	\$ 4,032,000	\$ 1,344,000	\$ 134,400	\$ 1,478,400	\$ 2,688,000	89.5
2030	\$ 2,688,000	\$ 1,344,000	\$ 80,640	\$ 1,424,640	\$ 1,344,000	94.7
2031	\$ 1,344,000	\$ 1,344,000	\$ 26,880	\$ 1,370,880	\$ -	100.0
Totals:		\$ 37,510,000	\$ 9,985,286	\$ 47,495,286		

Sewer Long-term Debt As of July 1, 2013 (Pro-Forma)						
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments	Principal Ending Balance	Cumulative % Principal Retired
2013					\$ 5,115,000	7.0
2014	\$ 5,115,000	\$ 285,000	\$ 175,528	\$ 460,528	\$ 4,830,000	12.2
2015	\$ 4,830,000	\$ 285,000	\$ 164,128	\$ 449,128	\$ 4,545,000	17.3
2016	\$ 4,545,000	\$ 285,000	\$ 152,728	\$ 437,728	\$ 4,260,000	22.5
2017	\$ 4,260,000	\$ 285,000	\$ 141,328	\$ 426,328	\$ 3,975,000	27.7
2018	\$ 3,975,000	\$ 283,000	\$ 132,798	\$ 415,798	\$ 3,692,000	32.9
2019	\$ 3,692,000	\$ 283,000	\$ 125,723	\$ 408,723	\$ 3,409,000	38.0
2020	\$ 3,409,000	\$ 283,000	\$ 115,818	\$ 398,818	\$ 3,126,000	43.2
2021	\$ 3,126,000	\$ 283,000	\$ 105,913	\$ 388,913	\$ 2,843,000	48.3
2022	\$ 2,843,000	\$ 283,000	\$ 97,423	\$ 380,423	\$ 2,560,000	53.4
2023	\$ 2,560,000	\$ 283,000	\$ 88,933	\$ 371,933	\$ 2,277,000	58.6
2024	\$ 2,277,000	\$ 284,000	\$ 80,250	\$ 364,250	\$ 1,993,000	63.8
2025	\$ 1,993,000	\$ 284,000	\$ 71,020	\$ 355,020	\$ 1,709,000	68.9
2026	\$ 1,709,000	\$ 284,000	\$ 61,258	\$ 345,258	\$ 1,425,000	74.1
2027	\$ 1,425,000	\$ 285,000	\$ 50,944	\$ 335,944	\$ 1,140,000	79.3
2028	\$ 1,140,000	\$ 285,000	\$ 39,900	\$ 324,900	\$ 855,000	84.5
2029	\$ 855,000	\$ 285,000	\$ 28,500	\$ 313,500	\$ 570,000	89.6
2030	\$ 570,000	\$ 285,000	\$ 17,100	\$ 302,100	\$ 285,000	94.8
2031	\$ 285,000	\$ 285,000	\$ 5,700	\$ 290,700	\$ -	100.0
Totals:		\$ 5,115,000	\$ 1,654,986	\$ 6,769,986		

**Program Summaries-
Debt Management**

Debt Management (continued)

Cleanwater (SEWER) Loans As of July 1, 2013 (Pro-Forma)							
Fiscal Year Ended June 30	Principal Beginning Balance	Principal Payments	Interest Payments	Total Payments		Principal Ending Balance	Cumulative % Principal Retired
2013						\$ 2,775,826	49.9
2014	\$ 2,775,826	\$ 280,882	\$ 52,951	\$ 333,833	\$ 2,494,944	\$ 2,494,944	55.0
2015	\$ 2,494,944	\$ 286,551	\$ 47,282	\$ 333,833	\$ 2,208,393	\$ 2,208,393	60.2
2016	\$ 2,208,393	\$ 292,335	\$ 41,498	\$ 333,833	\$ 1,916,059	\$ 1,916,059	65.4
2017	\$ 1,916,059	\$ 298,235	\$ 35,597	\$ 333,833	\$ 1,617,823	\$ 1,617,823	70.8
2018	\$ 1,617,823	\$ 304,255	\$ 29,578	\$ 333,833	\$ 1,313,568	\$ 1,313,568	76.3
2019	\$ 1,313,568	\$ 310,396	\$ 23,436	\$ 333,833	\$ 1,003,172	\$ 1,003,172	81.9
2020	\$ 1,003,172	\$ 316,661	\$ 17,171	\$ 333,833	\$ 686,510	\$ 686,510	87.6
2021	\$ 686,510	\$ 323,053	\$ 10,780	\$ 333,833	\$ 363,457	\$ 363,457	86.3
2022	\$ 363,457	\$ 153,986	\$ 5,863	\$ 159,849	\$ 209,471	\$ 209,471	92.1
2023	\$ 209,471	\$ 112,159	\$ 2,941	\$ 115,101	\$ 97,312	\$ 97,312	91.6
2024	\$ 97,312	\$ 48,095	\$ 1,403	\$ 49,497	\$ 49,218	\$ 49,218	89.5
2025	\$ 49,218	\$ 27,913	\$ 729	\$ 28,643	\$ 21,304	\$ 21,304	95.5
2026	\$ 21,304	\$ 21,304	\$ 178	\$ 21,482	\$ 0	\$ 0	100.0
2027	\$ 0	\$ -	\$ -	\$ -	\$ 0	\$ 0	100.0
Totals:		\$ 2,775,825	\$ 269,407	\$ 3,045,232			

**Program Summaries-
Debt Management**

Debt Management (continued)

The chart below shows all the Capital Projects that have been approved by the City of Bristol that have not had long-term obligations issued at this time. It is anticipated that the next long-term bond issuance will be taking place in the 2013-2014 fiscal year.

BONDING APPROPRIATIONS OUTSTANDING AS OF JULY 1, 2013		
BONDING TYPE	PROJECT	BONDING AMOUNT OUTSTANDING
SCHOOL	Southside Roof Replacement	\$ 220,000
SCHOOL	West Bristol K-8 School	39,100,000 **
SCHOOL	Forestville K-8 School	40,350,000 **
SCHOOL	Roof Replacement- Administration Buildings	297,500
SCHOOL	Northeast Middle School Roof Replacement	1,196,650
GENERAL	South Street Widening	80,000
GENERAL	PW Garage Architectural	120,000
GENERAL	Mall Purchase/Legal	6,275,000
GENERAL	Sediment Control Structures- Pequabuck River	20,000
GENERAL	Fire Department- Engine 4	6,400,000
GENERAL	Mall Demolition/Abatement	3,500,000
GENERAL	Frederick Street/Coppermine Engineering Study	81,000
GENERAL	Senior Center Utility Upgrades	2,360,700
GENERAL	Senior Center Roof Replacement	600,000
GENERAL	Casey Field Improvements	210,000
GENERAL	Single Stream Recycling Program	800,000
GENERAL	HJ Mills Parking Lot Construction	880,000
GENERAL	Pequabuck River Stabilization Wall	680,000
GENERAL	Willis Street Reconstruction- Phase 2	900,000
GENERAL	Hillside Place Intersection Improvements	440,000
GENERAL	Muzzy Field Improvements	2,500,000
GENERAL	Frederick Street Bridge/ Channel Improvements	1,400,000
GENERAL	Matthews Street Reconstruction	800,000
GENERAL	Dorset Horn & Great Pyrenees Way Reconstruction	400,000
GENERAL	Stevens Street Watershed Storage Area	820,000
GENERAL	Stevens Street Bridge- Richard Court Berm	550,000
GENERAL	Coppermine Brook- Removal of private bridge	380,000
GENERAL	Waterbury Road Reconstruction	3,560,000
GENERAL	Roadway Reclamation- Various Roads	580,000
GENERAL	Divinity Street Culvert Replacement	350,000
SEWER	Forestville SSO Reduction Relief- Force Main	60,000 (2)
SEWER	Phosphorus Removal Upgrade	17,000,000
WATER	Water Storage Tank Replacement	8,000 (1)
Total		\$ 132,918,850
(1)	Self-supporting Water Debt	
(2)	WPC User Fees will support 1/2 and 1/2 with tax funded	

BONDING APPROPRIATIONS BY TYPE	
GENERAL IMPROVEMENT	\$ 34,686,700
SCHOOLS	81,164,150
SEWER	17,060,000
WATER (SELF-SUPPORTING)	8,000
Total	\$ 132,918,850

** These appropriated amounts to be offset by State Grants for 73.93% or \$77,626,500 in State Grants.

The City of Bristol's debt is structured to limit the impact of taxes. We try and keep level debt service funding from year to year.